Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRASIL 02418 092037Z

43
ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 DOTE-00 COME-00 L-03 TRSE-00

CIAE-00 INR-10 NSAE-00 RSC-01 /042 W
---------- 020058
O R 091955Z APR 74
FM AMEMBASSY BRASILIA
TO AMCONSUL RIO DE JANEIRO IMMEDIATE
SECSTATE WASHDC 2701
INFO AMCONSUL SAO PAULO

LIMITED OFFICIAL USE BRASILIA 2418

E.O. 11652: N/A
TAGS: BEXP BR
SUBJ: PULLMAN VISIT

1. SUMMARY: PULLMAN STANDARD IS MAKING STRONG EFFORT TO SECURE BUSINESS IN BRAZIL. COMPANY EXECUTIVES ARE DISCUSSING WITH SENIOR GOB OFFICIALS POSSIBILITIES OF ADDITIONAL FREIGHTCAR SALES. POTENTIAL DEAL BY BRAZIL WITH RUMANIA AND YUGOSLAVIA POSES STRONG COMPETITIVE THREAT. ACTION REQUESTED: EMBASSY WISHES TO BE INFORMED IF PULLMAN DESIRES MEETING WITH MINISTER OF TRANSPORTATION AT LATER DATE. END SUMMARY

2. CONGEN RIO REPORTS THE FOLLOWING: PULLMAN STANDARD OFFICIALS STANLEY BROWN, VICE PRESIDENT FOR MARKETING, AND RICHARD GRIFFIN, ASST TO THE PRESIDENT, CALLED ON CONGENRIO APRIL 8. PULLMAN PREVIOUSLY SUBMITTED DIB IN INTERNATIONAL COMPETITION FOR 1400 RAILROAD CARS. TENDERS EXPECTED TO BE OPENED SOME TIME THIS WEEK.

3. EXECUTIVES CURRENTLY VISITING BRAZIL TO EXPLORE POSSIBILITY OF SIGNIFICANT ADDITIONAL FREIGHT CAR SALES. THEY HAVE PREPARED PRICES, DELIVERY DATES, AND SPECIFICATIONS FOR A MAJOR PROPOSAL TO GOB. THEY ARE, HOWEVER, SERIOUSLY CONCERNED BY INFORMATION THAT FEDERAL RAILWAYS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRASIL 02418 092037Z

HAVE NEGOTIATED PURCHASE OF 5900 FREIGHTCARS FROM YUGO-

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

SLAVIA AND RUMANIA. ALLEGED TRANSACTION WOULD DETRACT
FROM POSSIBILITY OF PULLMAN MAKING SIGNIFICANT ADDITIONAL
SALES. CONSIDERABLE QUESTION SURROUNDS SUPPOSED PURCHASE
FROM YUGOSLAVIA AND RUMANIA SINCE THEY ALLEGEDLY PROVIDE
FOR PRICES THAT ARE 30 TO 40 PERCENT ABOVE WHAT PULLMAN
IS PREPARED TO OFFER. FINANCING TERMS, MOREOVER, ARE
NO BETTER AND PERHAPS WORSE THAN WHAT BRAZIL COULD OB-
TAIN FROM EXIM BANK. EXPLANATION FOR THIS INCONGRUITY
MAY BE THAT SALE BY YUGOSLAVIA AND RUMANIA BEGAN AS
BARTER OPERATION AND MAY STILL HAVE SOME ELEMENT OF A
BARTER AGREEMENT. IN ADDITION, IN ITS ANXIETY TO ENSURE
ADEQUATE RAILROAD CAPACITY TO TRANSPORT FORTHCOMING
HARVESTS, BRAZIL MAY HAVE AGREED TO PURCHASE WHEN OTHER
RAILROAD SUPPLIERS WERE UNABLE TO MAKE FIRM OFFERS.
PULLMAN RECOGNIZES THAT IT DID NOT RESPOND AS RAPIDLY
AS MIGHT HAVE BEEN DESIRED TO BRAZIL'S INITIAL INQUIRIES
FOR EQUIPMENT.

4. PRINCIPAL OBJECTIVE OF PULLMAN OFFICIALS IS TO
CIRCULATE THEIR PROPOSAL AMONG CONCERNED BRAZILIAN
RAILROAD OFFICIALS, BOTH IN MINISTRY OF TRANSPORTATION
AND IN RAILROAD COMPANIES. THEY WISH TO AVOID SIGNATURE
OF CONTRACT FOR YUGOSLAV AND RUMANIAN PURCHASES UNTIL
THEY HAVE PRESENTED THEIR PROPOSAL AND GOB OFFICIALS
HAVE HAD AN OPPORTUNITY TO CONSIDER IT THOROUGHLY.

5. BROWN AND GRIFFIN STATED THAT AMBASSADOR'S PRESENCE
AT COCKTAIL EVENING OF APRIL 10 NOT ESSENTIAL, ESPECIALLY
SINCE BRAZILIAN OFFICIALS OF EQUIVALENT RANK NOT EXPECTED
TO ATTEND. THEY VOLUNTEERED THAT A TRIP TO RIO JUST
TO ATTEND COCKTAIL WOULD NOT REPRESENT WISE USE OF
AMBASSADOR'S SCARCE TIME. INSTEAD, THEY WOULD PREFER
THAT EMBASSY ASSIST THEM IN BRASILIA BY SEEKING TO OBTAIN AN
APPOINTMENT WITH MINTRANSP ON THURSDAY MORNING, APRIL 11.
THEY REALIZED IT WAS BRAZILIAN HOLIDAY BUT NEVERTHELESS
WISHED TO TRY FOR AN APPOINTMENT.

6. WE ARE TRYING TO OBTAIN FURTHER DETAILS ON PULLMAN PROPOSAL,
IN COMPARISON TO YUGOSLAVIA AND RUMANIA OFFERS. END OF CONGEN
RIO REPORT.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRASIL 02418 092037Z

7. TO SEEK THE APPOINTMENT REQUESTED, EMBASSY COMMUNICATED
DIRECTLY WITH SECRETARY GENERAL OF MINTRANSP, THE OFFICIAL
IN CHARGE OF MINISTRY AT PRESENT BECAUSE MINISTER IS TRAVELING.
SECGEN STATED THAT THURSDAY AND FRIDAY ARE BRAZILIAN HOLI-
DAYS AND MINISTER WOULD MAKE NO APPOINTMENTS ON THOSE DAYS.
HE OFFERED, HOWEVER, TO ARRANGE AN APPOINTMENT WITH MINISTER AT
SOME TIME IN THE FUTURE TO SEE THE SENIOR PULLMAN EXECUTIVES. HE

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

UNDERSTOOD THAT BROWN AND GRIFFIN WOULD HAVE TO LEAVE BRAZIL THIS WEEKEND TO RETURN TO US BUT STATED THAT IF BUSINESS TO BE DISCUSSED WAS IMPORTANT ENOUGH FOR PULLMAN, THEY COULD RETURN FOR APPOINTMENT WITH MINISTER.

8. SECGEN INDICATED THAT HE AND MINISTER WERE BEING KEPT FULLY INFORMED ABOUT DETAILS OF DISCUSSIONS WITH GOB OFFICIALS IN RIO, STATING THAT ARRANGEMENTS HAD BEEN MADE FOR PULLMAN EXECS TO MEET WITH ALL OF THE NECESSARY SENIOR PERSONNEL OF MINTRANSP IN RIO, THAT THESE BRAZILIAN OFFICIALS WOULD BE MAKING THE RECOM-MENDATIONS TO THE MINISTER AND THAT THEY WOULD HAVE TO BE CONVINCED OF THE MERITS OF THE PULLMAN DEAL. (COMMENT: WE BELIEVE THE SECGEN WAS MAKING CLEAR THAT THE MINISTER WOULD NOT OVERRULE AN ADVERSE RECOMMENDATION OF HIS STAFF.)

9. IN GENERAL OBSERVATIONS CONCERNING THE YUGOSLAV AND RUMANIAN OFFERS, SECGEN NOTED THAT THE CREDITS BEING OFFERED BY THESE COUNTRIES WERE MOR ADVANTAGEOUS THAN THOSE OF THE EXIM, THAT EARLY DELIVERY DATES HAD BEEN PROMISED, A VERY IMPORTANT FACTOR FOR BRAZIL, THAT THERE WERE SERIOUS DIFFICULTIES IN THE BALANCE OF TRADE WITH THESE COUNTRIES, AND THAT FONOFF WAS PUSHING VERY HARD TO MAKE A DEAL.

10. WE DO WISH TO PROVIDE ALL POSSIBLE ASSISTANCE TO PULLMAN. IF COMPANY DESIRES, EMBASSY WILL SEEK AN APPOINTMENT WITH MINISTER OF TRANSPORTATION TO DISCUSS ITS PROPOSAL. AMBASSADOR WILL PLAN TO ATTEND. IT WOULD BE ESSENTIAL TO HAVE PULLMAN EXECS BROWN AND GRIFFIN AT SUCH A MEETING. WE WOULD APPRECIATE BEING INFORMED OF PULLMAN VIEWS, AND REQUEST THAT CONGENRIO DISCUSS MATTER WITH PULLMAN REPS.
CRIMMINS

LIMITED OFFICIAL USE

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 09 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BRASIL02418
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740081-0267
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740456/aaaabzcq.tel
Line Count: 145
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 09 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 SEP 2002 by boyleja>; APPROVED <11-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PULLMAN VISIT
TAGS: BEXP, BR
To: RIO DE JANEIRO STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005